

Company Registration No. 1395774

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Consolidated financial statements for
the year ended 31 March 2002

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Limited**

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Tanglewood Holdings Limited

Company information

Directors

A J Beck
G J Beck
J G Malikian
S A Malikian
Y L Toukan

Secretary

A J Beck

Company number

1395774

Registered office

Ashley House, Unit 3, Brickfields Business Park
Gillingham
Dorset
SP8 4PX

Registered auditors

Mazars
8 New Fields, 2 Stinsford Road
Poole
Dorset
BH17 0NF

Tanglewood Holdings Limited

Directors' report For the year ended 31 March 2002

The directors present their report and financial statements for the year ended 31 March 2002.

Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the group and of the profit or loss of the group for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and the group and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Directors

The following directors have held office since 1 April 2001:

A J Beck
G J Beck
J G Malikian
S A Malikian
Y L Toukan

Directors' interests

The directors' interests in the shares of the company and other group companies were as stated below:

Tanglewood Holdings Limited

	Ordinary shares of 10p each	
	31 March 2002	1 April 2001
A J Beck	500	500
G J Beck	500	500
J G Malikian	0	0
S A Malikian	0	0
Y L Toukan	0	0

Tanglewood Limited

	Ordinary shares of £ 1 each	
	31 March 2002	1 April 2001
A J Beck	0	0
G J Beck	0	0
Y L Toukan	0	0
J G Malikian	0	0
S A Malikian	0	0

Tanglewood Holdings Limited

Directors' report (continued) For the year ended 31 March 2002

Tanglewood Commercial Developments Limited

	Ordinary shares of £ 1 each	
	31 March 2002	1 April 2001
A J Beck	0	0
G J Beck	0	0
Y L Toukan	0	0
S A Malikian	0	0
J G Malikian	0	0

Principal activities and review of the business

The company did not trade during the year.

Results and dividends

The results for the year are set out on page 4.

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Mazars be reappointed as auditors of the company will be put to the Annual General Meeting.

Approved by the board on 25.10.02
and signed on its behalf by



G J Beck

Director

Tanglewood Holdings Limited

Auditors' report

To the shareholders of Tanglewood Holdings Limited

We have audited the financial statements on pages 4 to 12. These financial statements have been prepared under the historical cost convention and the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. Our responsibilities do not extend to any other information.

Basis of opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's and the group's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's and the group's affairs as at 31 March 2002 and of the group's profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Majan

MAZARS
CHARTERED ACCOUNTANTS
and Registered Auditors

Poole

28 October 2002

Tanglewood Holdings Limited

Consolidated profit and loss account For the year ended 31 March 2002

	Notes	2002 £	2001 £
Turnover	2	1,287,782	1,886,598
Cost of sales		(785,571)	(1,324,267)
Gross profit		502,211	562,331
Administrative expenses		(229,639)	(311,917)
Other operating income		-	125,000
Operating profit	3	272,572	375,414
Other interest receivable and similar income	4	16,356	33,261
Interest payable and similar charges	5	(33,815)	(49,515)
Profit on ordinary activities before taxation		255,113	359,160
Tax on profit on ordinary activities	7	(19,483)	(22,413)
Profit on ordinary activities after taxation		235,630	336,747

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

Tanglewood Holdings Limited

Balance sheets As at 31 March 2002

		Group		Company	
	Notes	2002 £	2001 £	2002 £	2001 £
Fixed assets					
Tangible assets	9	48,913	54,380	-	-
Investments	10	2,071,076	1,615,558	73,912	73,912
		<u>2,119,989</u>	<u>1,669,938</u>	<u>73,912</u>	<u>73,912</u>
Current assets					
Stocks	11	598,849	1,158,968	-	-
Debtors	12	168,330	151,350	15,720	15,720
Cash at bank and in hand		92,614	308,332	-	-
		<u>859,793</u>	<u>1,618,650</u>	<u>15,720</u>	<u>15,720</u>
Creditors: amounts falling due within one year	13	(144,210)	(163,644)	-	-
Net current assets		<u>715,583</u>	<u>1,455,006</u>	<u>15,720</u>	<u>15,720</u>
Total assets less current liabilities		2,835,572	3,124,944	89,632	89,632
Creditors: amounts falling due after more than one year	14	(1,337,468)	(1,862,470)	-	-
		<u>1,498,104</u>	<u>1,262,474</u>	<u>89,632</u>	<u>89,632</u>
Capital and reserves					
Called up share capital	15	230	230	230	230
Share premium account	16	149,970	149,970	149,970	149,970
Revaluation reserve	16	21,489	21,489	73,312	73,312
Profit and loss account	16	1,326,415	1,090,785	(133,880)	(133,880)
Shareholders' funds - equity interests		<u>1,498,104</u>	<u>1,262,474</u>	<u>89,632</u>	<u>89,632</u>

The financial statements were approved by the Board on 25.10.02



G J Beck
Director

Tanglewood Holdings Limited

Notes to the consolidated financial statements For the year ended 31 March 2002

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention modified to include the revaluation of freehold land and buildings.

1.2 Basis of consolidation

The group financial statements consolidate the financial statements of the company and its subsidiary undertakings made up to 31 March 2002.

1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life, as follows:

Plant and machinery	15%/25% reducing balance
Fixtures, fittings & equipment	15% reducing balance
Motor vehicles	25% reducing balance
Computers	33% straight line

1.5 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.6 Stock and work in progress

Stock and work in progress are valued at the lower of cost and net realisable value.

1.7 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

2 Turnover

The total turnover of the group for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

3 Operating profit

	2002	2001
	£	£
Operating profit is stated after charging:		
Depreciation of tangible assets	5,978	7,524
Auditors' remuneration (company £500; 2001 : £500)	5,250	5,700

Tanglewood Holdings Limited

Notes to the consolidated financial statements (continued) For the year ended 31 March 2002

4 Other interest receivable and similar income	2002	2001
	£	£
Bank interest	16,356	33,203
Other interest	-	58
	<u>16,356</u>	<u>33,261</u>

5 Interest payable	2002	2001
	£	£
On bank loans and overdrafts	<u>33,815</u>	<u>49,515</u>

6 Employees

Number of employees

There were no employees during the year apart from the directors

Employment costs	2002	2001
	£	£
Wages and salaries	<u>156,709</u>	<u>102,295</u>

7 Taxation

	£	£
Domestic current year taxation		
U.K. corporation tax	<u>19,483</u>	<u>22,413</u>

8 Loss for the financial year

As permitted by section 230 of the Companies Act 1985, the holding company's profit and loss account has not been included in these financial statements. The loss for the financial year is made up as follows:

	2002	2001
	£	£
Holding company's loss for the financial year	<u>-</u>	<u>-</u>

Tanglewood Holdings Limited

Notes to the consolidated financial statements (continued) For the year ended 31 March 2002

9 Tangible fixed assets Group

	Land and buildings Freehold £	Plant and machinery £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost or valuation					
At 1 April 2001	26,600	160,743	80,899	29,772	298,014
Additions	-	111	400	-	511
At 31 March 2002	26,600	160,854	81,299	29,772	298,525
Depreciation					
At 1 April 2001	-	153,481	69,061	21,092	243,634
Charge for the year	-	1,731	2,077	2,170	5,978
At 31 March 2002	-	155,212	71,138	23,262	249,612
Net book value					
At 31 March 2002	26,600	5,642	10,161	6,510	48,913
At 31 March 2001	26,600	7,262	11,838	8,680	54,380

Tanglewood Holdings Limited

Notes to the consolidated financial statements (continued) For the year ended 31 March 2002

10 Fixed asset investments Group

	Shared Ownership £	Investment Properties £	Equity Mortgages £	Total £
Cost or valuation				
At 1 April 2001	53,500	1,497,508	64,550	1,615,558
Additions	-	458,818	-	458,818
Disposals	-	-	(3,300)	(3,300)
At 31 March 2002	53,500	1,956,326	61,250	2,071,076
At 31 March 2001	53,500	1,497,508	64,550	1,615,558

In the opinion of the directors, the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the balance sheet.

10 Fixed asset investments (continued) Company

	Shares in subsidiary undertakings £
Cost or valuation	
At 1 April 2001 & at 31 March 2002	73,912

In the opinion of the directors, the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the balance sheet.

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Class	Shares held %
Subsidiary undertakings			
Tanglewood Limited	England and Wales	Ordinary	100

The principal activity of these undertakings for the last relevant financial year was as follows:

Principal activity

Tanglewood Limited	Housebuilding and letting of investment properties
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Tanglewood Holdings Limited

Notes to the consolidated financial statements (continued) For the year ended 31 March 2002

11 Work in progress

	Group		Company	
	2002	2001	2002	2001
	£	£	£	£
Work in progress	598,849	1,158,968	-	-

12 Debtors

	Group		Company	
	2002	2001	2002	2001
	£	£	£	£
Trade debtors	26,064	2,117	-	-
Amounts owed by group undertakings	-	-	15,720	15,720
Corporation tax	37,783	37,783	-	-
Other debtors	101,271	106,503	-	-
Prepayments and accrued income	3,212	4,947	-	-
	168,330	151,350	15,720	15,720

13 Creditors : amounts falling due within one year

	Group		Company	
	2002	2001	2002	2001
	£	£	£	£
Bank loans and overdrafts	29,377	33,729	-	-
Payments received on account	-	3,000	-	-
Trade creditors	61,422	54,708	-	-
Corporation tax	19,483	22,413	-	-
Taxes and social security costs	14,281	25,269	-	-
Accruals and deferred income	19,647	24,525	-	-
	144,210	163,644	-	-

Tanglewood Holdings Limited

Notes to the consolidated financial statements (continued) For the year ended 31 March 2002

14 Creditors : amounts falling due after more than one year

	Group		Company	
	2002	2001	2002	2001
	£	£	£	£
Bank loans	349,107	378,610	-	-
Other loans	982,848	1,482,848	-	-
Rent deposits held	5,513	1,012	-	-
	<u>1,337,468</u>	<u>1,862,470</u>	<u>-</u>	<u>-</u>
Analysis of loans				
Not wholly repayable within five years by instalments:	1,200,598	1,730,101	-	-
Wholly repayable within five years	<u>157,136</u>	<u>131,357</u>	<u>-</u>	<u>-</u>
	1,357,734	1,861,458	-	-
Included in current liabilities	<u>(25,779)</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>1,331,955</u>	<u>1,861,458</u>	<u>-</u>	<u>-</u>
Instalments not due within five years	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Loan maturity analysis				
In more than one year but not more than two years	29,583	29,583	-	-
In more than two years but not more than five years	101,774	101,774	-	-
In more than five years	<u>1,200,598</u>	<u>1,730,101</u>	<u>-</u>	<u>-</u>

15 Share capital

	2002	2001
	£	£
Authorised		
23,000 Ordinary shares of 10p each	<u>2,300</u>	<u>2,300</u>
Allotted, called up and fully paid		
2,300 Ordinary shares of 10p each	<u>230</u>	<u>230</u>

Tanglewood Holdings Limited

Notes to the consolidated financial statements (continued) For the year ended 31 March 2002

16 Statement of movements on reserves Group

	Share premium account £	Revaluation reserve £	Profit and loss account £
Balance at 1 April 2001	149,970	21,489	1,090,785
Retained profit for the year	-	-	235,630
Balance at 31 March 2002	<u>149,970</u>	<u>21,489</u>	<u>1,326,415</u>

Company

	Share premium account £	Revaluation reserve £	Profit and loss account £
Balance at 1 April 2001	149,970	73,312	(133,880)
Actuarial gains or losses on pension scheme assets	-	-	-
Transfer between profit and loss account reserve and pension scheme reserve	-	-	-
Balance at 31 March 2002	<u>149,970</u>	<u>73,312</u>	<u>(133,880)</u>

17 Reconciliation of movements in shareholders' funds Group

	2002 £	2001 £
Profit for the financial year	235,630	336,747
Opening shareholders' funds	<u>1,262,474</u>	<u>925,727</u>
Closing shareholders' funds	<u>1,498,104</u>	<u>1,262,474</u>

Company

	2002 £	2001 £
Loss for the financial year	-	-
Opening shareholders' funds	<u>89,632</u>	<u>89,632</u>
Closing shareholders' funds	<u>89,632</u>	<u>89,632</u>